

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-152-C - ORDER NO. 97-594
JULY 10, 1997

IN RE: Application of Tel-Link of South Carolina) ORDER
L.L.C. for a Certificate of Public) APPROVING
Convenience and Necessity to Provide) CERTIFICATE
Intrastate Local and Long Distance Resale)
of Telecommunications Services within the)
State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of TEL-Link of South Carolina, L.L.C. ("TEL-LINK" or "the Company"). By its Application, TEL-LINK requests a Certificate of Public Convenience and Necessity authorizing TEL-LINK authority to resell all forms of intrastate long distance and local exchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter dated April 18, 1997, the Commission's Executive Director instructed TEL-LINK to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the

hearing date on this matter. TEL-LINK complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. Petitions to Intervene were received from BellSouth Telecommunications, Inc. ("BellSouth") and the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on July 3, 1997, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. TEL-LINK was represented by William F. Austin, Esquire and Timothy J. Slabouz, Esquire. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. BellSouth did not appear at the hearing.

Prior to the hearing, TEL-LINK and the SCTC executed a Stipulation dated June 2, 1997, and the Stipulation was filed with the Commission. As a result of the Stipulation, SCTC withdrew its intervention in the Docket. At the hearing, TEL-LINK entered the Stipulation into the record as a hearing Exhibit (Hearing Exhibit No. 1) and requested approval of the Stipulation. The Stipulation provides the following:

(1) The SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to TEL-LINK if the Commission makes the necessary findings to grant the Certificate and if all stipulated conditions are met;

(2) TEL-LINK agrees that any Certificate granted by the Commission will authorize TEL-LINK to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as otherwise provided;

(3) TEL-LINK agrees that it is not requesting the Commission to find whether competition is in the public interest for rural areas;

(4) TEL-LINK agrees that it will not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until TEL-LINK provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. TEL-LINK also acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;

(5) TEL-LINK agrees that if, after TEL-LINK gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then TEL-LINK will not provide service to any customer located within the service area in question without prior and further Commission approval;

(6) TEL-LINK acknowledges that any right which it may have

or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;

(7) TEL-LINK and the SCTC agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and

(8) TEL-LINK agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No. 96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and TEL-LINK and was filed with the Commission prior to the hearing in this matter. We therefore approve the stipulation.

At the beginning of the hearing, Counsel for TEL-LINK stated that TEL-LINK wished to amend its Application and to strike its request for authority to provide long distance services. Counsel also stated that TEL-LINK would follow all Rules and Regulations of the Commission and was not asking for waiver of any Rules or Regulations. As a result of TEL-LINK's amendment to its Application, the hearing proceeded on the issuance of a

Certificate of Public Convenience and Necessity to provide local telecommunications services.

In support of its Application, TEL-LINK presented Michelle Dodson to testify. Ms. Dodson is Director of Regulatory Affairs for TEL-LINK. The purpose of Ms. Dodson's testimony was to (1) present evidence on the technical, managerial, and financial abilities of TEL-LINK to provide local exchange telecommunications services in South Carolina and (2) to address certain issues regarding TEL-LINK's services. Ms. Dodson testified that TEL-LINK requests authority to provide intrastate local exchange telecommunications services originating and terminating within the State of South Carolina and that TEL-LINK will operate primarily as a reseller of these services.

According to Ms. Dodson, TEL-LINK's local telecommunications service will involve the provision of prepaid local telecommunications resale service to consumers who have been disconnected by the incumbent local exchange company or other certificated local exchange companies for non-payment or who have failed to meet the local exchange companies' applicable credit standards. TEL-LINK's service will provide a customer with a single, voice-grade communications channel, including a telephone number and directory listing and will permit the customer to (1) place an unlimited number of calls per month within a local calling area; (2) access "911" services; and (3) access optional service features such as call waiting, call forwarding, three way calling, speed dialing, call return, unpublished number, and

caller identification. However, TEL-LINK's prepaid local service will not permit a customer to originate direct dial ("1+") or ("0+") toll services or caller-paid information services (e.g., "1-900").

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, TEL-LINK's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by TEL-LINK should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that TEL-LINK possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1996). To demonstrate TEL-LINK's technical qualifications, Ms. Dodson stated that TEL-LINK is presently providing its services in Florida and Tennessee and has demonstrated technical proficiency with regard to its provision of local exchange resale services. TEL-LINK has negotiated a resale agreement with BellSouth Telecommunications, Inc. which TEL-Link will be submitting for Commission approval. Ms. Dodson also testified

that as a reseller TEL-LINK will utilize the existing equipment and facilities of its underlying carriers.

Concerning TEL-LINK's managerial qualifications, Ms. Dodson testified that TEL-LINK's management team has extensive business experience in managing a successful finance company with estimated yearly revenues of \$60 million and assets in excess of \$35 million. As a result of the officers' finance and general business experience, Ms. Dodson offers that TEL-LINK has demonstrated competence in finance, operations, marketing, and customer support which are relevant factors in operating a telecommunications resale business. Regarding TEL-LINK's financial resources, the record reveals that TEL-LINK is organized under the laws of the State of South Carolina. Ms. Dodson testified that TEL-LINK has sufficient financial resources to provide the proposed services properly and continuously. According to the testimony, TEL-LINK's recent audited financial statement shows \$25,000 in cash to support TEL-LINK's intrastate telecommunications resale operations in South Carolina and TEL-LINK's parent company has sufficient financial resources also. No other party offered any evidence in opposition to Ms. Dodson's testimony. Based on the undisputed evidence of the record, the Commission finds that TEL-LINK possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that TEL-LINK will provide services that will meet the service standards of the Commission. S.C. Code

Ann. §58-9-280(B)(2) (Supp. 1996). Ms. Dodson testified that TEL-LINK seeks to provide local telecommunications services, primarily as a reseller. Ms. Dodson specifically stated that TEL-LINK will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that TEL-LINK fully intends to meet the Commission's service standards. No party offered any evidence to dispute Ms. Dodson's testimony. Based on the undisputed testimony from Ms. Dodson, the Commission believes, and so finds, that TEL-LINK will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that TEL-LINK's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Ms. Dodson's prefiled testimony reveals that TEL-LINK anticipates that approval of its Application will create greater competition within the telecommunications industry in South Carolina. Ms. Dodson also stated that approval of TEL-LINK's Application would not adversely impact the availability of affordable local exchange service. In fact, Ms. Dodson offered that approval of TEL-LINK's Application would provide consumers who have previously lost service due to nonpayment or been unable to obtain service due to poor credit history an outlet by which to obtain service. No party offered any evidence that the provision of local exchange service by TEL-LINK would adversely affect local rates. Therefore, based on the undisputed evidence of record, the

Commission finds that provision of local exchange services by TEL-LINK will not adversely impact affordable local exchange service.

(4) The Commission finds that TEL-LINK will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Ms. Dodson testified that TEL-LINK will comply with the Commission's universal service requirements. No party disputed Ms. Dodson's testimony. Based on the undisputed evidence of record, the Commission finds that TEL-LINK will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by TEL-LINK "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Ms. Dodson offered that approval of TEL-LINK's Application will serve the public interest by creating greater competition in the telecommunications marketplace, thus providing consumers with additional choices for local service. Ms. Dodson further offered that approval of TEL-LINK's application would allow customers who have previously been disconnected by the dominant local exchange carrier for nonpayment or been denied service due to poor credit the opportunity to obtain local telecommunications services and also the opportunity to reestablish their credit. Ms. Dodson's testimony was undisputed as no party offered any evidence that approval of TEL-LINK's Application would adversely impact the public interest. Therefore, the Commission finds that approval of

TEL-LINK's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by TEL-LINK should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of TEL-LINK for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in the State of South Carolina is approved.

2. The Stipulation filed by TEL-LINK and the SCTC is approved by this Commission, is binding upon TEL-LINK and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in the rural areas of South Carolina. TEL-LINK shall conduct its operations in compliance with the Stipulation until further Order of the Commission.

3. TEL-LINK shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes as proposed by the Commission Staff and to which TEL-LINK agreed.

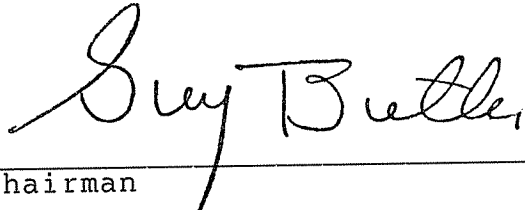
4. TEL-LINK shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level,

customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, TEL-LINK shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. TEL-LINK shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, TEL-LINK shall promptly notify the Commission in writing if the representatives are replaced. TEL-LINK is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. TEL-LINK shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230